

PHILIP MORRIS U.S.A.

INTER-OFFICE CORRESPONDENCE

120 PARK AVENUE, NEW YORK, N.Y. 10017

TO: Distribution

DATE: March 21, 1990

FROM: Nancy Gurry *NG*

SUBJECT: Misty Slims Test Market Tracking

American Tobacco introduced Misty Slims 100's Lights Box (regular/menthol) into Bakersfield, California and Shreveport, Louisiana during July 1989. The brand is being marketed at full margin prices in California while it is offered at a generic price in Louisiana. During December 1989, full priced Misty was expanded into the entire state of California as well as introduced into the Atlanta trading area.

One round of consumer telephone tracking was conducted on March 15 in the expanded test areas. Cumulatively, topline data revealed that the brand had attained very low levels of awareness. Specifically, about 300 interviews were completed and only one in ten people were aware of the brand. To further corroborate, the Marketing Information and Planning Department has recently (2 weeks ending 3/4) reported distribution levels of 61% in Atlanta and 41% in California. As a result of these findings, we have discontinued telephone tracking until distribution begins to build in the expanded test areas.

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